

performer company, to cut costs and greatly reduce the complexity and operational costs of information systems and applications, to focus on the company's main business processes without being distracted by the legal side of the issue.

Yet, despite the obvious advantages, legal outsourcing brings new challenges and risks into the work of the legal department:

- necessity of outsourcing project management skills for law firm headed by an experienced team of external lawyers;
- unpredictability of results (involvement of external lawyer could create new problems: the failure to achieve coherence of interaction with the staff of the law firm, the delay of task implementation, low quality etc.);
- due to the market immaturity there is a need for additional efforts, and sometimes investments, to develop optimal technology guidance by the lawyers involved and a set of legal instruments used in the work;
- lack of the comprehensive vision of the situation by involved employees.

Thus, legal outsourcing is a service that has already shown high efficiency for many representatives of the national business, and as expected will be in demand in near future. The most important objective obstacle to its more rapid development in Ukraine is the lack of an appropriate regulatory framework. Currently, the parties of business processes enter into agreements, guided by common terminology and Ukrainian legislation. Nevertheless, practice shows that such agreements are not always drawn up correctly and do not fully take into account the specific relationships between the outsourcer and the client. In addition, considerable psychological obstacle for legal outsourcing in Ukraine is the unwillingness of many leaders to entrust internal information to external performers.

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## **LAW BUSINESS AS AN INSTITUTE OF LEGAL ECONOMY**

Disparity in implementation of the socio-economic rights (such as artificial restriction of individual rights on a selective basis; direct prohibition of implementing rights, which were acquired in a legitimate way; creation of the special legislative conditions for the certain types of business, etc.) is one of the most pressing

problems for the economy of modern Ukraine. Unfortunately, the causes of this phenomenon are closely related to the regulatory activities of the state.

Firstly, inequality is enhanced by the artificial distortion of the proportions of social division in favor of certain groups. Moreover, the greater opportunities of influencing on the legal arrangement of economic behaviour such groups have, the more intense the distortion is.

Secondly, some economic entities are “pushed” into informal sector owing to difficulty of the implementation of existing commercial rights under the circumstances of legal business.

Thirdly, the government regulation of economic activity is based on some legislative norms which contradict other rules of law. As a result, the property right has been transformed into conditional and dependent on the state. Under conditions of generating unlawful practices by public institutions the judicial system and law enforcement are paralyzed. They have got the opportunity of “free interpreting” of existing legislative norms.

Correspondingly, the interest of society in the institutions which can provide equality of the social and economic rights and reality of their implementation increases. One of such institutions is a law business.

Generally law business declares its accordance to the high ethical standards, including transparency, absolute legitimacy, orderliness, confidentiality, availability to everyone who needs legal assistance. All of that is due to the fact that the reputation of a law firm is the guarantee of its competitiveness. Having in mind the necessity of improving of its reputation, law business is constantly engaged in a dialogue not only with the particular clients but with society in general as well – it explains, advises, comments on legislation and emphasizes the gaps in the law. All this contributes to the growth of the legal culture in society, to the formation and development of civilized market relations, to the establishing of legal economic order.

Positioning itself as a business with a high degree of social responsibility, law firms often use pro-bono technologies, to wit, providing professional assistance to charitable, civil and other non-profit organizations free of charge. This strengthens civil society institutes, provides real legal conditions for their participation in the formation of the effective norms and rules of business behavior.

In addition, the necessity of defending the clients’ interests in the public law sphere (taxes, penalties and liabilities) and resolving customers’ problems, which is caused by the government regulation and imperfections in the legislation, imposes on law business the task of restoring trust between the government and business.

Thus, it may be noted, that the development of law business facilitates the establishment of the legal economy since this gives entities an opportunity of full implementing and defending their economic and social rights even under the circumstances of violating these rights by the state. Law business also creates real legal prerequisites for engaging of non-profit institutions of civil society to government regulation.

At the same time, law business is a commercial project focused on high economic efficiency. Therefore, full realization and protection of the socio-economic rights is carried out on a random basis. And the leading role in this process belongs to private interests, rather than public.

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## **SUBJECTS OF MANAGEMENT IN LAW FIRMS**

The overwhelming majority of modern Ukrainian law firms are set up by professional lawyers. And they are the very persons who perform the managerial functions. However, the experience of such companies shows that some of these functions can be effectively carried out by professional managers as well. There is currently no consensus on the optimal distribution of managerial powers and responsibilities between professionals in the field of law and management since each possible alternative has its pros and cons.

Undoubtedly, there are significant advantages in carrying out the managerial functions by specialists in the field of law as they are highly aware of problems which can arise during the provision of legal services. For instance:

- generally, they have their own self-developed customer bases;
- they have contacts within the law community, which give them additional opportunities of quick and successful executing clients' instructions;
- they in most cases can accurately estimate complexity of a task and amount of resources which are necessary for its fulfilling, and, accordingly, determine the price of a service and justify feasibility of its implementation;
- they can accurately assess professional qualities of lawyers employed by a firm;